

Saudi

MEMORANDUM

5485..

NATIONAL SECURITY COUNCIL

INFORMATION

SECRET/SENSITIVE - XGDS

September 30, 1976

MEMORANDUM FOR:

BRENT SCOWCROFT

FROM:

ROBERT HORMATS *WB*

SUBJECT:

Saudi Crown Prince Opposes
Use of Oil as Weapon

25X1

Comment: In the import-dependent Saudi economy, increases in the price of Western goods have indeed contributed to the high rate of inflation. Internal problems, however -- such as the cost of long delays in unloading in Saudi ports and the classic effect of too much money chasing too few goods -- have played a more significant role.

25X1

We should begin to play more on this concern in our discussions on oil prices, while continuing with the themes of the adverse impact on both the world economy and on the political stability of industrialized nations under pressure from the left.

ON-FILE NSC RELEASE INSTRUCTIONS
APPLY

MORI/CDF C02859977

SECRET/SENSITIVE - XGDS